

When Recorded Forward To:
GULF OIL COMPANY - U. S.
P. O. Box 1392
Bakersfield, Calif. 93302

NOV 8 3 16 PM 1971

58127

Page 11660

LEASE AND AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

THIS LEASE AND AGREEMENT made this 21st day of September, 1971 by and between Vernon M. Gerhard
as "Lessor" and Gulf Oil Corporation, a Pennsylvania corporation
as "Lessee."

WITNESSETH:

THAT FOR THE TERM and upon the terms and conditions set forth in a certain written Lease and Agreement dated the 21st day of September, 1971, all of which terms and conditions are hereby made a part hereof as fully and as completely as if herein specifically set out in full, Lessor has, and does hereby lease, let and demise unto Lessee for the development of natural steam and steam power and for use as such, or for conversion into electrical power or for processing to obtain by-products therefrom, the real property set forth in Exhibit "A" attached hereto and made a part hereof for all purposes. Such lease is for a term of 10 years from and after the date hereof (subject to termination as therein provided) and so long thereafter as there is commercial production of steam, electrical power or any by-product from the condensates of steam, derived or produced from the property leased hereunder and for so long, as well, as Lessee is prevented from producing same, or the obligations of Lessee thereunder are suspended for the causes as set forth in said written Lease and Agreement.

LESSOR

LESSEE

Vernon M. Gerhard
Vernon M. Gerhard

GULF OIL CORPORATION

Vernon M. Gerhard

By

B. W. Mills
Attorney-in-Fact

EXHIBIT "A"
DESCRIPTION OF PROPERTY

(State of Oregon
(County of Klamath

T 408 - R 10E W.M.
Sec 32: 884

T 418 - R 10E W.M.
Sec 5: 884

3-04576-00

53

55

DOCUMENTARY TRANSFER TAX \$	554
<input checked="" type="checkbox"/> COMPUTED ON FULL VALUE OF PROPERTY CONVEYED,	
<input type="checkbox"/> OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING AT TIME OF SALE.	
GULF OIL CORPORATION, BY	<u>Paul J. Landon</u>
Signature of Declarant or Agent determining tax, Firm Name	

STATE OF OREGON
County of Klamath
Filed for record at
Klamath
on this
or 3:10 8

IN WITNESS
day of

11661

STATE OF Oregon } ss.
COUNTY OF Klamath }

On this 28th day of September, 1971, before me,
a Notary Public in and for said County and State,
personally appeared Vernon M. Gerhard aka Gearhard to me known to be
the identical person or persons described in and who executed the within
and foregoing instrument and acknowledged to me that he executed
the same as his free and voluntary act and deed for the uses and purposes
therein set forth.

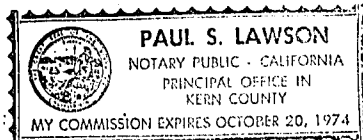
WITNESS my hand and official seal the day and year above written.

Susan Meeher
Notary Public in and for said County and State
My commission expires 3-8-75

STATE OF CALIFORNIA)
COUNTY OF KERN) ss.

On OCT 11 1971, before me, the undersigned, a Notary Public
in and for said State, personally appeared B. W. Miller, known to me to be the
person whose name is subscribed to the within instrument, as the Attorney in Fact
of GULF OIL CORPORATION, and acknowledged to me that he subscribed the name of
GULF OIL CORPORATION thereto as principal and his own name as Attorney in Fact.

WITNESS my hand and official seal.



Paul S. Lawson

COUNTY OF _____

On this _____ day of _____, 197____, before me,
a Notary Public in and for said County and State,
personally appeared _____ to me known to be
the identical person or persons described in and who executed the within
and foregoing instrument and acknowledged to me that he executed
the same as _____ free and voluntary act and deed for the uses and purposes
therein set forth.

WITNESS my hand and official seal the day and year above written.

Notary Public in and for said County and State

STATE OF CALIFORNIA) ss.
COUNTY OF _____)

On _____ before me, the undersigned, a Notary
Public in and for said State, personally appeared _____
known to me to be the person whose name _____ subscribed to the
within instrument, as the Attorney _____ in fact of _____
and acknowledged to me that _____ subscribed the name _____
of _____ thereto as principal _____ and _____ own
name _____ as Attorney _____ in fact.

WITNESS my hand and official seal.

Signature _____
Name (Typed or Printed)

STATE OF OREGON, }
County of Klamath } ss.
Filed for record at request of:
on this 8 day of _____
at 3:18 PM
recorded in _____
Page _____

IN WIT
day of _____

11662

In consideration of the execution by Lessor of that certain Lease and Agreement dated September 21 1971, Lessee does hereby agree as follows:

Notwithstanding any provision to the contrary in the above-mentioned Lease and Agreement, Lessee shall pay to Lessor only under the circumstances set forth below the following sums as damages to any growing crops as of the date of damage to said crops:

A. In the event Lessee enters upon the lands of Lessor and drills a well which is not productive and which well is plugged and abandoned by Lessee, Lessee shall restore the lands occupied by it as nearly as is reasonably possible to their condition prior to entry by Lessee. In addition Lessee shall pay Lessor the sum of \$200 per acre for each acre actually used and occupied by Lessee in its operations under said Lease and Agreement excluding, however, any existing roads or lands on which no crops are being cultivated.

B. In the event Lessee enters upon the lands of Lessor and drills and completes a well thereon which well is shut-in, Lessee shall pay Lessor the actual cash value of any crop destroyed by Lessee in drilling, completing and shutting in said well. In addition, Lessee shall pay as damages the sum of \$50 per well per year for each well completed and shut in on Lessor's property. The first such payment shall be made on or before the expiration of one year from the date each well is shut in and a like payment on or before the anniversary date of shutting in each well each year thereafter until the well is being produced, at which time all obligation to make such payments shall terminate. The payment as to each well shall authorize Lessee's use, without further payment of any kind except shut-in royalties, of an area of 100 feet by 200 feet around each well and the use of all roads necessary to Lessee's operations.

IN WITNESS WHEREOF, this agreement is executed this 21st day of September, 1971.

Vernon M. Gerhard
Vernon M. Gerhard

AKA Vernon M. Gerhard
Vernon M. Gerhard

STATE OF OREGON, }
County of Klamath } ss.

Filed for record at request of:
Klamath Co Title Co

on this 8 day of Nov A. D., 1971
at 3:18 o'clock P M. and duly
recorded in Vol. M-71 of Beeds
Page 11660

fee 4.50 WM. D. MILNE, County Clerk

By [Signature]
Deputy.

GULF OIL CORPORATION

By B.W. Mill
ITS ATTORNEY IN FACT

JUL 12 1971